

GOVERNOR O'MALLEY ANNOUNCES SIGNIFICANT IMPROVEMENT FOR MINORITY-OWNED BUSINESS IN MARYLAND

Procurement awards to MBEs increase 30 percent over last two fiscal years

ANNAPOLIS, MD (March 18, 2009) – Governor Martin O'Malley announced today that Maryland achieved a 30 percent growth in Minority Business Enterprise (MBE) program awards during its first two years. State awarded more than \$1.3 billion to MBEs in FY 2008 as compared to \$1 billion in FY 2006, representing a 30% growth in awards over the last two fiscal years. In addition, the Governor's Office of Minority Affairs (GOMA) reports in its Annual Minority Business Enterprise Report that MBE participation for all cabinet agencies was 22.5 percent collectively in FY08, and 27.2 percent for the ten agencies reporting to the Governor's StateStat program, the highest in State history.

"A healthy small and minority business community contributes positively to our State's economy, and can ultimately help our State come through this national economic downturn more quickly than others," said Governor O'Malley. "The development of minority-owned businesses in Maryland is a vital part of overall economic development, and therefore is a central priority for the O'Malley-Brown Administration."

"Governor O'Malley and I are proud of the partnerships we have forged with our diverse and dynamic small, minority- and women-owned business community," said Lt. Governor Anthony G. Brown. "Because of that partnership, we have been able to increase MBE procurement by \$300 million. The success of our small, minority- and women-owned businesses has helped make Maryland the national model for how states can build strong communities through the work of small, minority- and women-owned, locally-operated businesses."

The annual report notes substantial progress during FY08. Total procurement awards to MBEs rose in FY08, and total procurement percentages continue to rise for MBEs in Maryland. In addition, payments to MBEs continue to improve, and the State continues to do a significant volume of business with former MBEs, including graduates.

* Total State contract awards grew 13.8 percent, while total MBE contract awards grew 15.9 percent.

* MBE awards to African American-owned firms grew 34 percent as compared to FY06 (\$266 million in FY08 vs. \$199 million in FY06).

* In keeping with Maryland's strength in the areas of health and human services, technology and engineering, minority firms in these academically-rich industry sectors represented 38 percent of all MBE awards in FY08.

* Payments to MBEs increased by 52.5 percent in FY08 when compared to FY06 (\$1.1 billion in FY08 vs. \$733 million in FY06).

* Payments to African American-owned firms increased by 58 percent in FY08 when compared to FY06 (\$196.7 million in FY 08 vs. \$124 million in FY 06).

"MBE Program progress for FY08 has been substantial," said GOMA Special Secretary Luwanda W. Jenkins. "Our MBE reform efforts include monthly reporting of MBE activity inclusive of verifying the achievement of MBE goals. Additionally, there is monthly monitoring of MBE requirements on all State contracts prior to approval by the Board of Public Works." Secretary Jenkins also noted there has been increased outreach and advocacy to make MBE firms across the State aware of contract and procurement opportunities.

As noted in the FY08 report by GOMA and the Sage Policy Group, Inc, "the findings in this report demonstrate the steady progress Maryland is making to reach the O'Malley-Brown Administration's goal to strengthen and grow small, minority and women-owned firms in the State of Maryland."